



South Dakota Department of Social Services Rate Study Advisory Workgroup #2

Mental Health and Substance Use Disorder Services

October 11, 2023

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October 11, 2023

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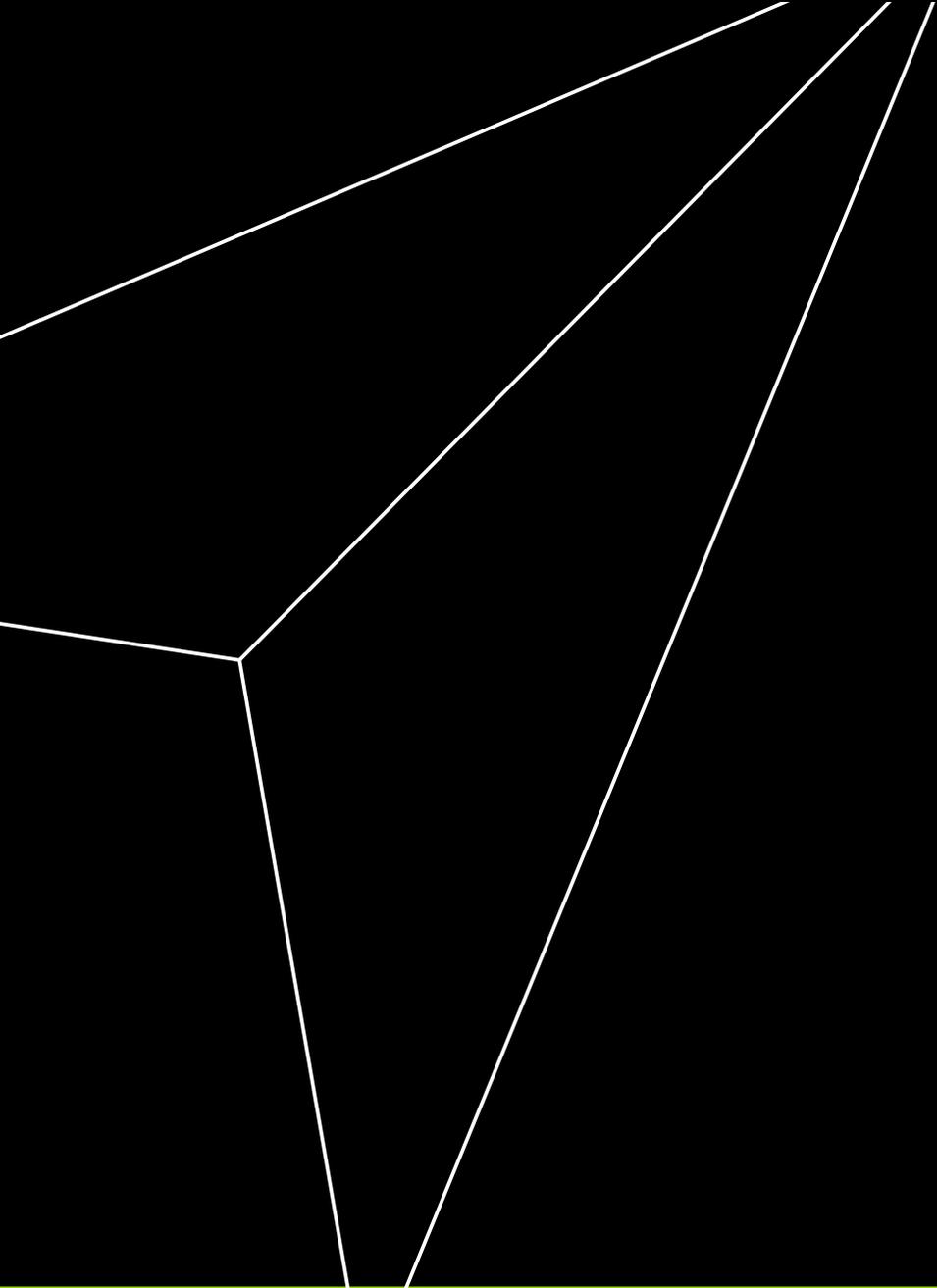
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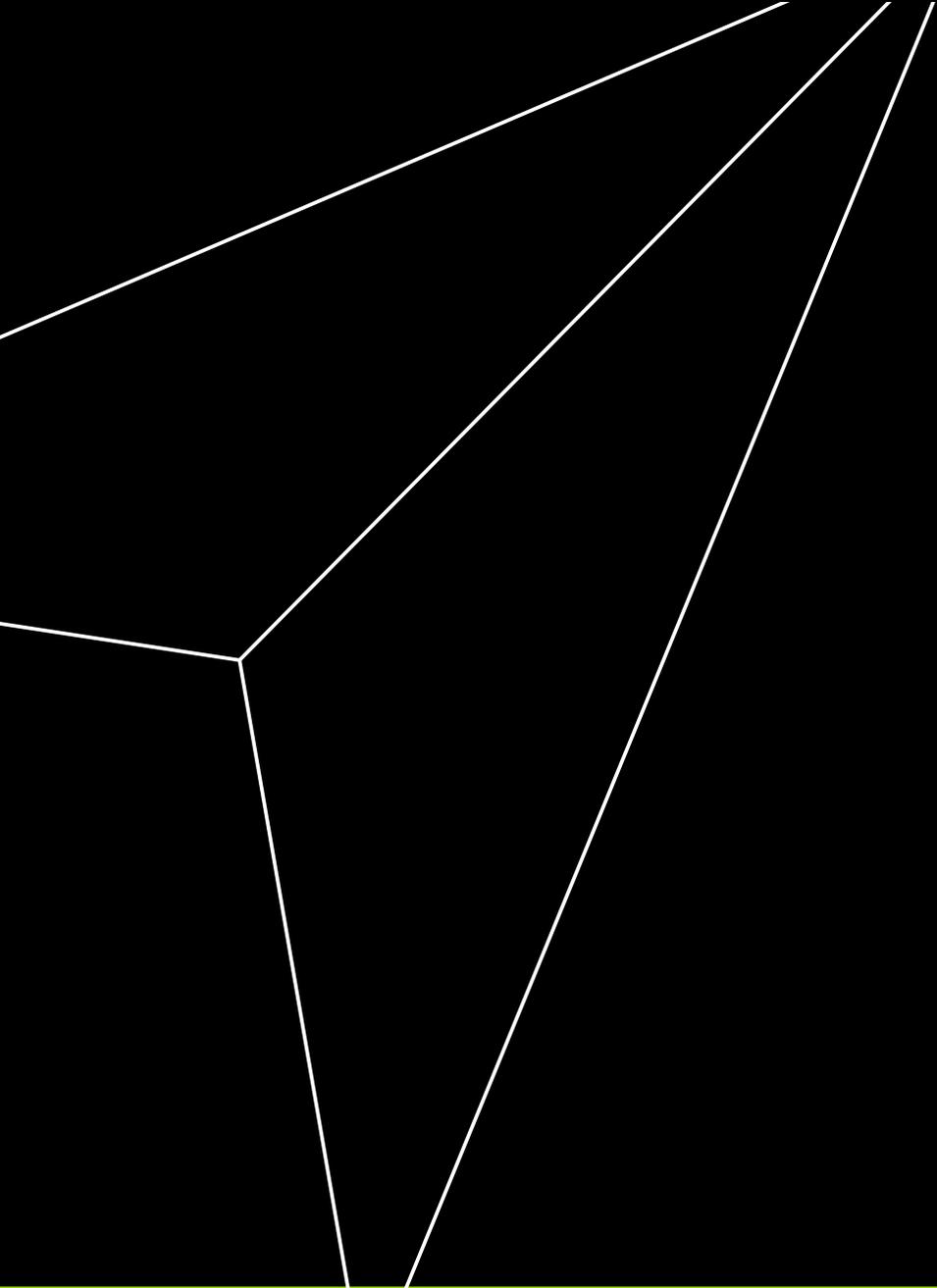
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Welcome and Introductions

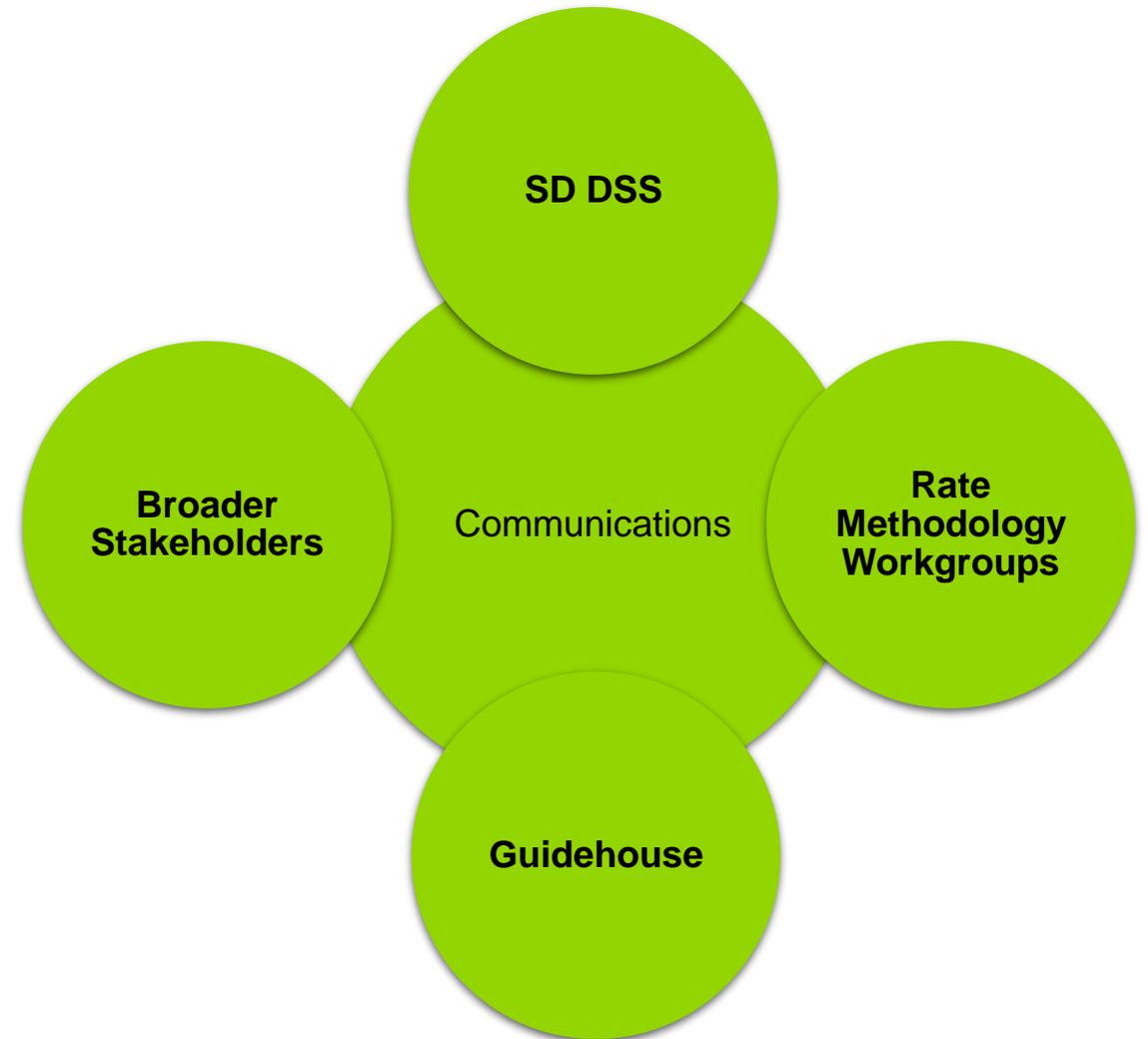


Scope of Project

Communication Goals and Objectives

Communication efforts between all stakeholder groups are intended to:

- Involve diverse perspectives and meaningfully include stakeholders in the study process
- Advance project goals and objectives, removing communication barriers and bottlenecks, wherever possible
- Offer transparency on methodology and findings throughout the study
- Support to Guidehouse to independently consider all perspectives throughout the rate methodology study process.
- Adhere to Federal requirements for rate development and stakeholder engagement pursuant to any future changes in programs / policies (e.g., required public comment period, etc.)

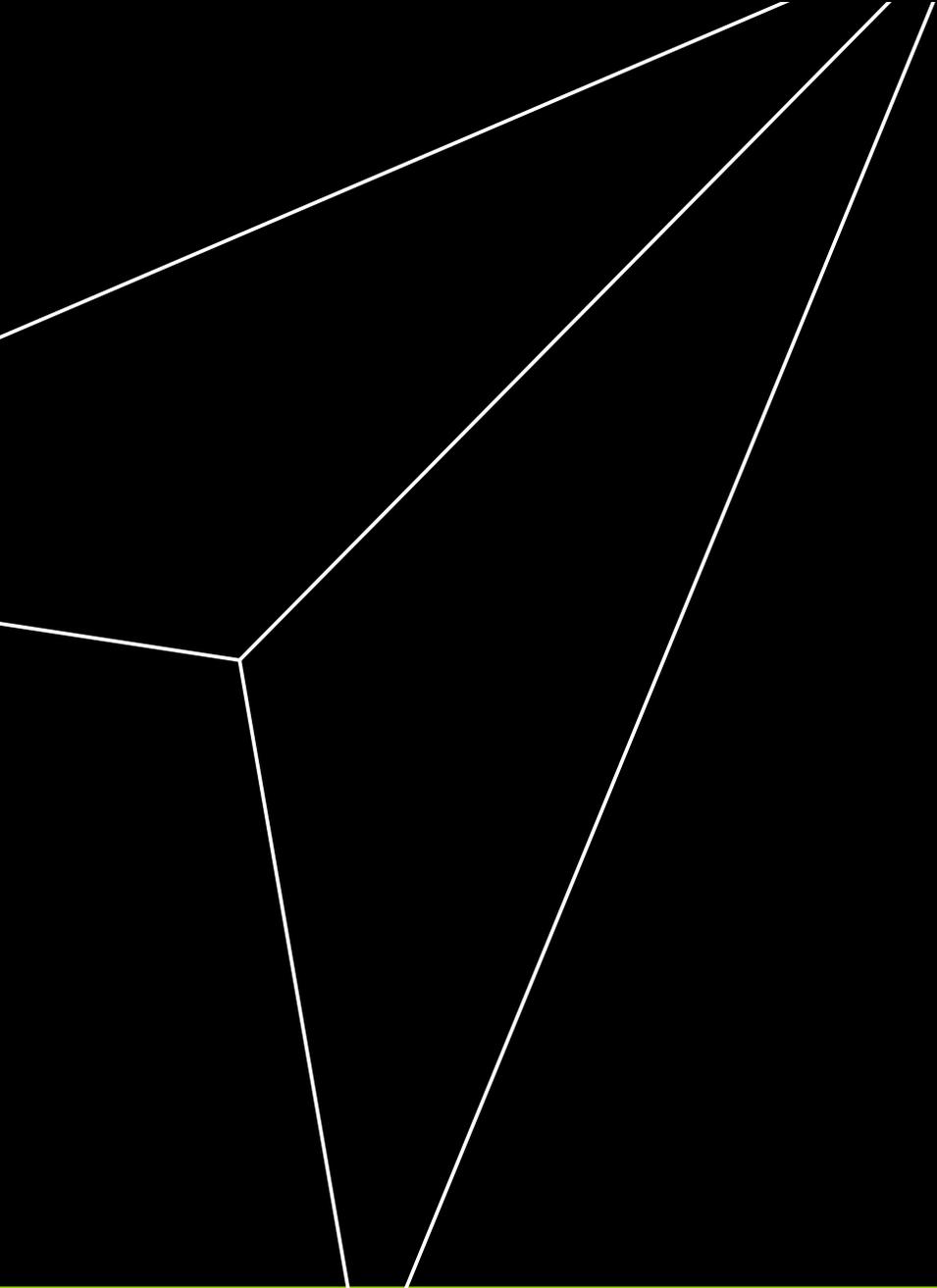


Roles, Collaborative Needs and Expectations

- Overall members within the advisory workgroup: 11
- Membership representatives of individual providers and provider associations directly impacted by rate changes
- Members have a strong understanding of provider finances, reporting capabilities, and service costs
- Determine the common principles/parameters that will apply to the rate setting methodology
- Provider representatives will facilitate the timely and accurate submission of cost surveys and additional information as requested
- Establish a mechanism for communicating workgroup actions with individual provider organizations, provider associations, legislators and other stakeholders
- Cost, wage and other rate analysis components could demonstrate need for potential changes – both positive and negative – to service rates and level of reimbursement to providers

Purpose of Rate Study

- Update rates to account for changes in costs and wages for the staff that provides these services
- Understand billable vs non-billable time components of rate models
- Create transparent models that are representative of service delivery
- Explore recommendations for competitive benefit assumptions, including health insurance for staff
- Key Deliverables:
 - Peer State Comparisons
 - Rate Models
 - Fiscal Impact
 - Final Report



Status of Survey

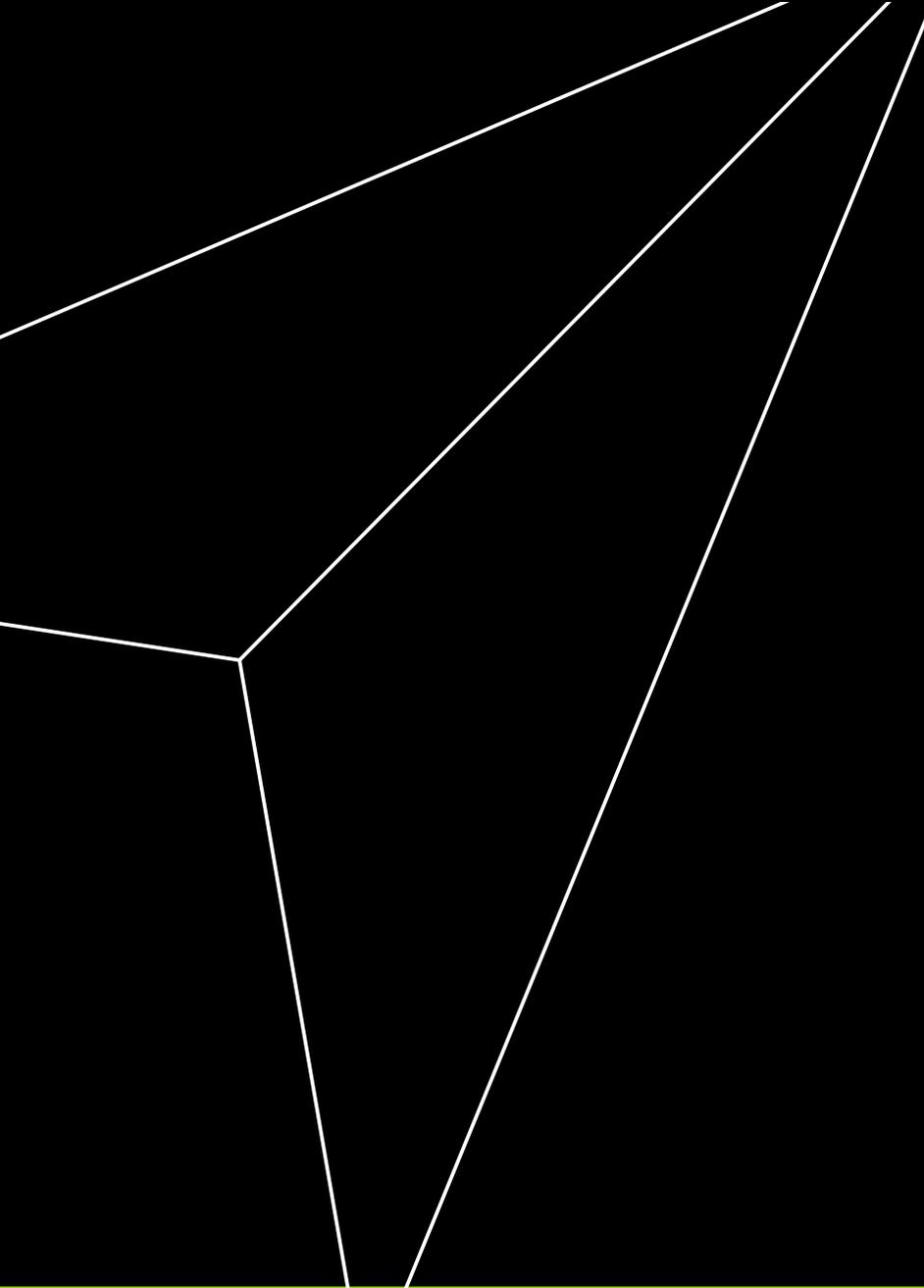
Survey Interaction Snapshot as of 10/05/23



Questions received from Providers regarding survey	35
Provider Questions answered	35

Percent of surveys received back

77% of Expected Surveys



Overview of Provided Services

Scope of Mental Health (MH) Services

Mental Health Services

Evaluation, Intake, Screening, Testing	Individual Therapy	Psychiatric Services	CNP/PA Med Management
Family Therapy (w/outpatient present)	Family Therapy (with patient present)	Group Therapy (other than a multi-family group)	Collateral
Serious Mental Illness (SMI) - Comprehensive Assistance with Recovery and Empowerment Services (CARE)	Serious Mental Illness (SMI) - Individualized and Mobile Program of Assertive Community Treatment (IMPACT)	Serious Mental Illness (SMI) - Forensic Assertive Community Treatment (FACT)	Child or Youth and Family Services (CYF)
Juvenile Justice Reinvestment Initiative (JJRI) - Functional Family Therapy (FFT)	Functional Family Therapy (FFT) Referral and Engagement	Juvenile Justice Reinvestment Initiative (JJRI) - Evidence Based Practices (EBP)	Juvenile Justice Reinvestment Initiative (JJRI) - Aggression Replacement Training (ART)
Juvenile Justice Reinvestment Initiative (JJRI) Assessments	Intensive Family Services (IFS)		

Scope of Substance Use Disorder (SUD) Services

SUD Services			
Assessments	Local Individual Counseling	Local/Group Counseling	Local/HB Family Counseling
Crisis Intervention	Early Intervention Services	Collateral Contacts/Referral	Interpreter Services
Recovery Support Services	Nursing/Health Services	Detoxification	Intensive Meth Treatment (IMT)
Cognitive Behavioral Interventions for Substance Abuse (CBISA)	Moral Reconciliation Therapy (MRT)	Adolescent Substance Use Disorder (SUD) Evidence Based Practices (EBP)	

Guidehouse Approach to Rate-Building Across Programs / Services

Employs assumptions of:

- Wages
- Types of employees
- Staffing ratios
- Employee benefits
- Other provider costs



Recognizes the costs of services with service-specific variations

Analysis requires multiple components

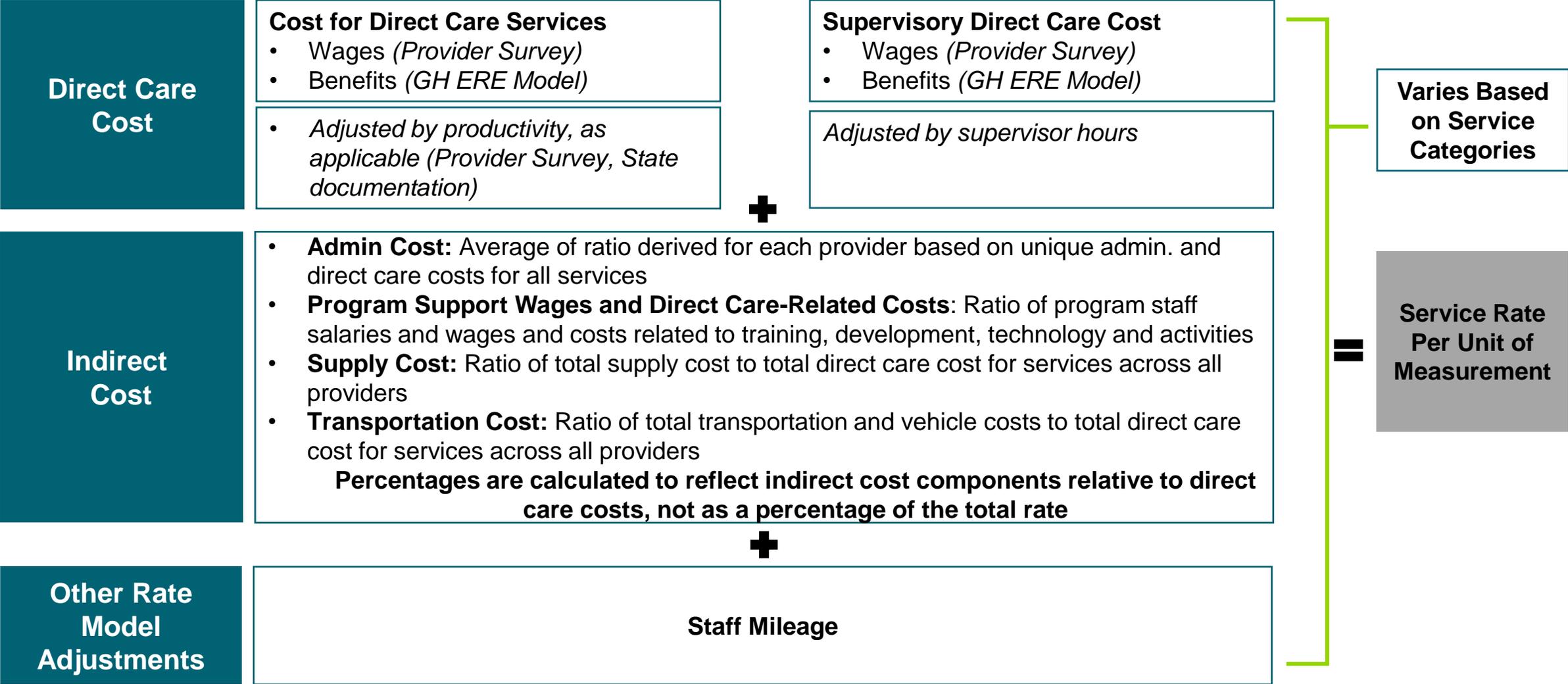
Independent Model Approach – An approach using state-specific data sources to develop the estimates for each cost component for each service.

Consideration of participant's specific needs



Assumptions can be derived from state, national or industry standard data

Rate Build Up Overview



Top Location of Medicaid Service Utilization in CY 2022/2023



Office



Home

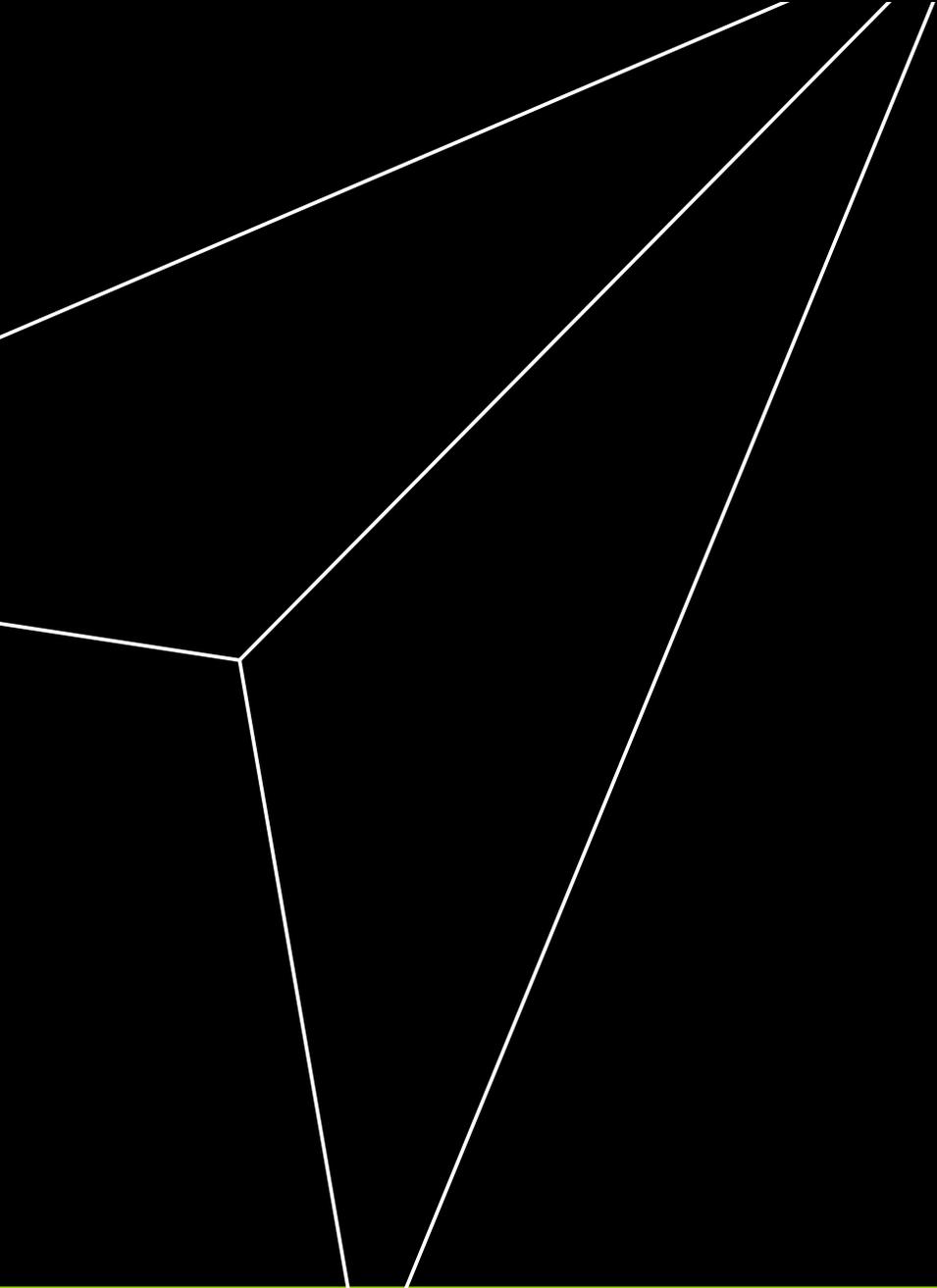


Residential Substance Use Disorder Treatment Facility

Top Medicaid Procedure Codes in CY 2022/2023

By Paid Claims and Units of Service

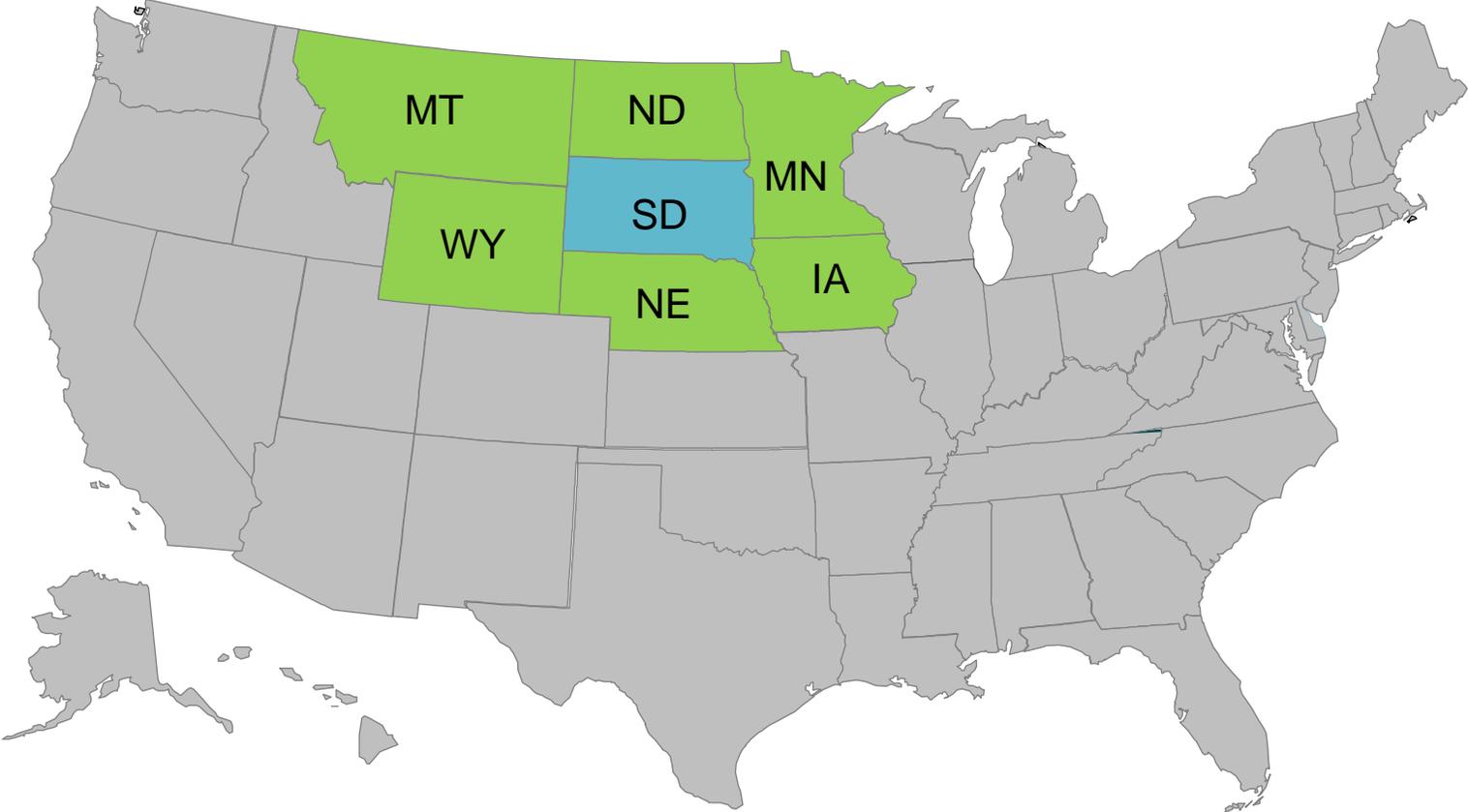
Top Procedure Codes	Description
90832	Individual Psychotherapy
90863	Pharmacologic Management
H0005	Group Counseling
H0015	Clinically Managed Low Intensity Residential
H0019	Intensive Inpatient Residential Treatment
H0039	SMI - IMPACT/ FACT
H2016	SMI – CARE
H2021	SED Group/Individual / Community-Based Wraparound / Intensive Family Services (IFS) / Children, Youth and Family (CYF) Services
T1012	Adolescent SUD Evidence Based Practice (EBP)/ CJI – Cognitive Behavioral Intervention for Substance Abuse (CBISA)



Peer State Approach

Peer States

Guidehouse determined 6 states have commonalities with South Dakota. States were chosen based on geography, demographic makeup, and availability of comparable services. The peer states will be used to analyze services and their corresponding rates. All rates are effective 7/1/2023.



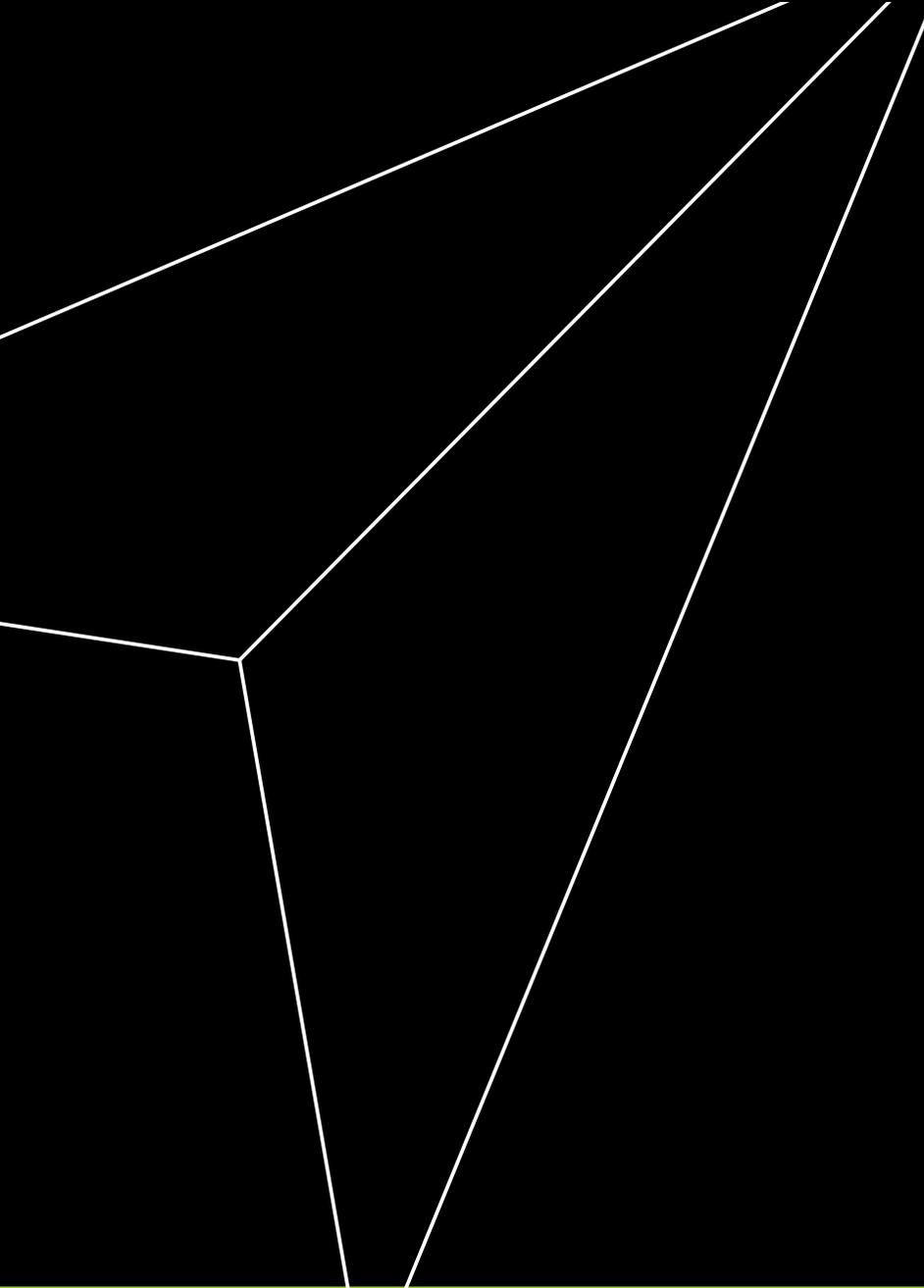
Peer State Evaluated Services

Mental Health Services

- Compared to Medicaid Fee-For-Service Rates.
 - 1) Publicly available since it is open to wide variety of providers
 - 2) Covered under State Plan

SUD Services

- Limitation of comparable.
 - 1) Typically, contracted rates with the entity providing the service
 - 2) Grant or bundled services
 - 2) SUD 1115 waivers are fairly new



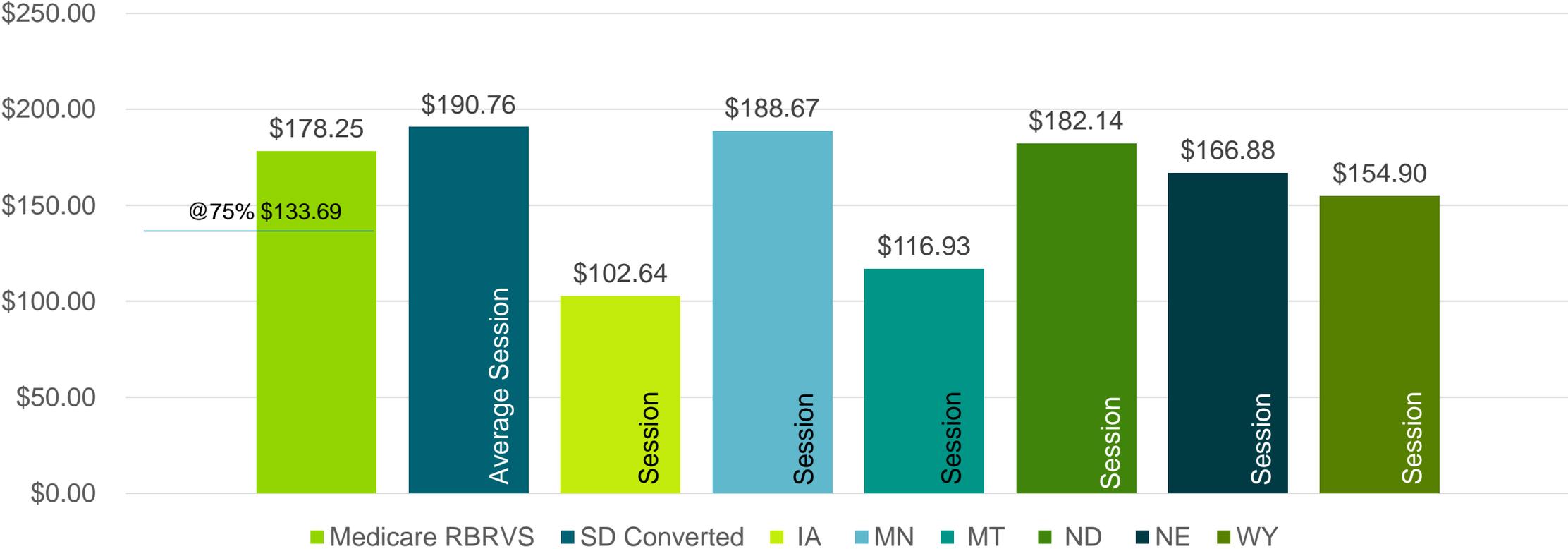
Peer State Mental Health Service Rates

Average SFY 2023 Units of Service

Top Procedure Codes	Description	Average Units/Claim	Average Units/Claim
90791	Evaluation, Intake, Screening, Testing – Non-Psych	4.5	~ 1 Hour
90832	Individual Therapy/Psychotherapy	3.3	~ 50 Minutes
90853	Group Therapy/Group Psychotherapy, Other than a Multi-Family Group	5.6	~ 1 Hour 25 Minutes
90846	Family Therapy/Psychotherapy without Patient Present	3.2	~ 45 Minutes
90847	Family Therapy/psychotherapy with Patient Present	3.8	~ 1 Hour

Evaluation, Intake, Screening, Testing – Non-Psych

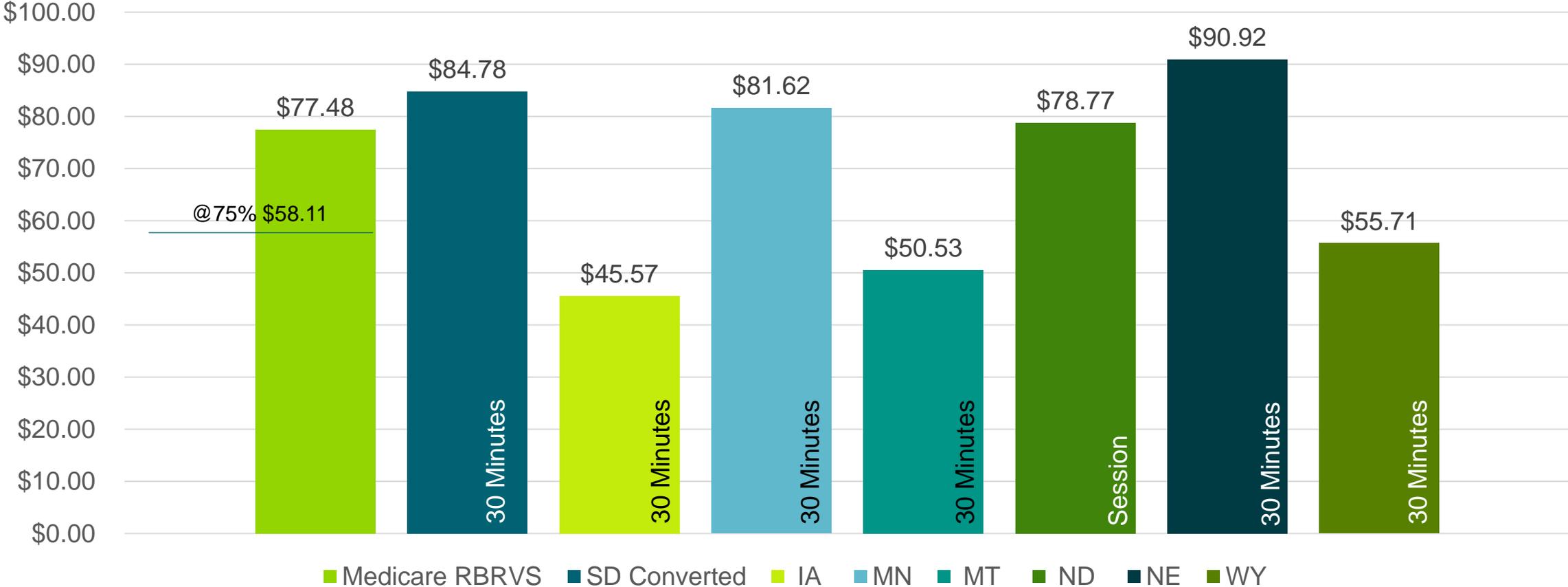
(90791 per session)



* The South Dakota base rate has been converted to reflect average MMIS utilization

Individual Therapy/Psychotherapy

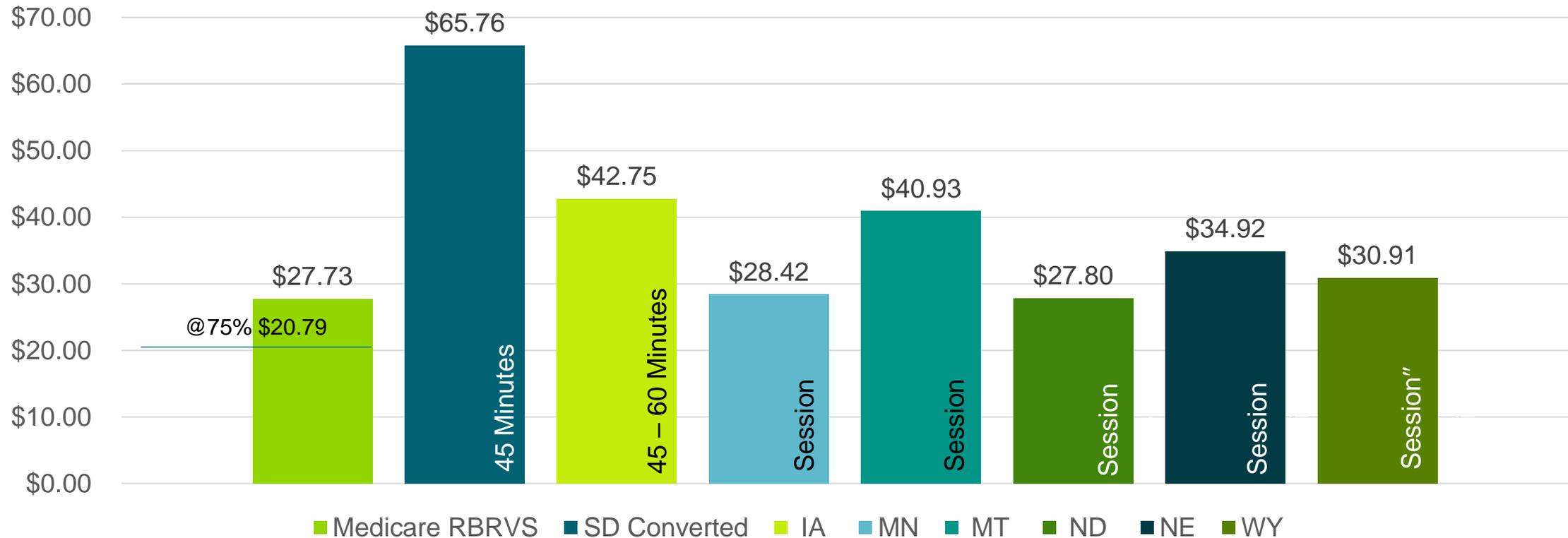
(90832 per 30-minute session)



* The South Dakota base rate has been converted from 15 minutes to 30 minutes

Group Therapy/Group Psychotherapy, Other than a Multi-Family Group

(90853 per 45-minute session)

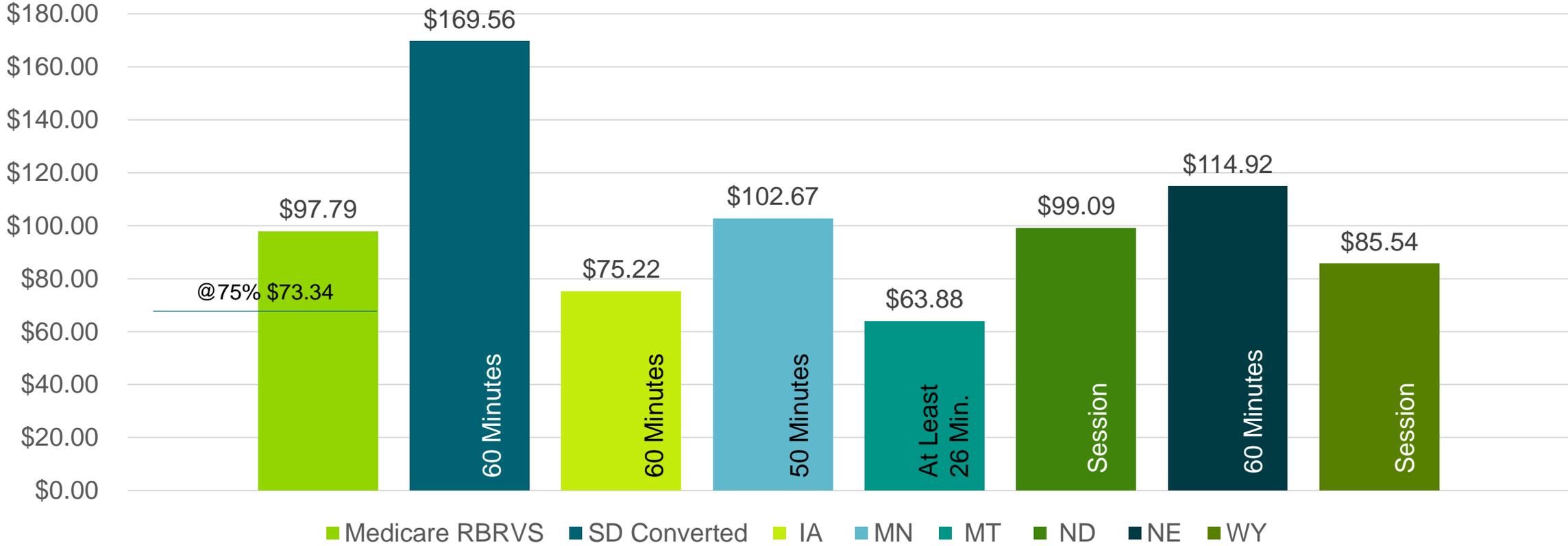


* The South Dakota base rate has been converted from 15 minutes to 45 minutes

" Rate varies after the first hour

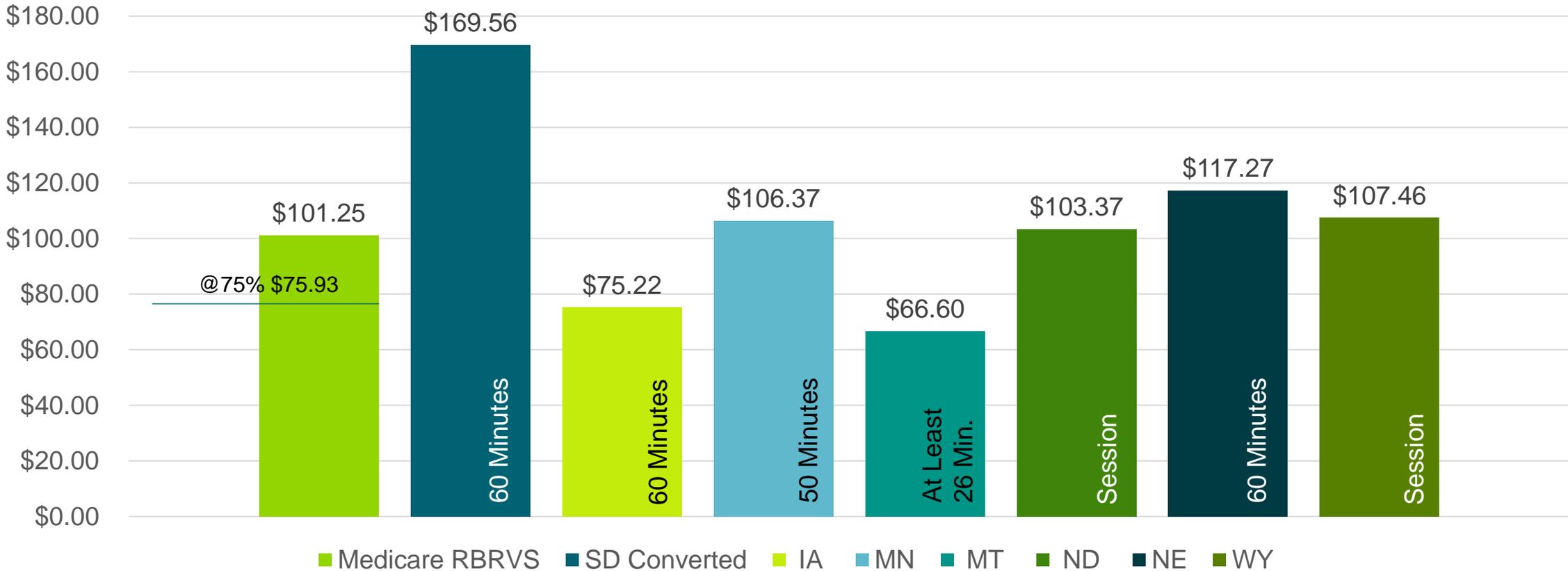
Family Therapy/Psychotherapy without Patient Present

(90846 per 50-minute session)

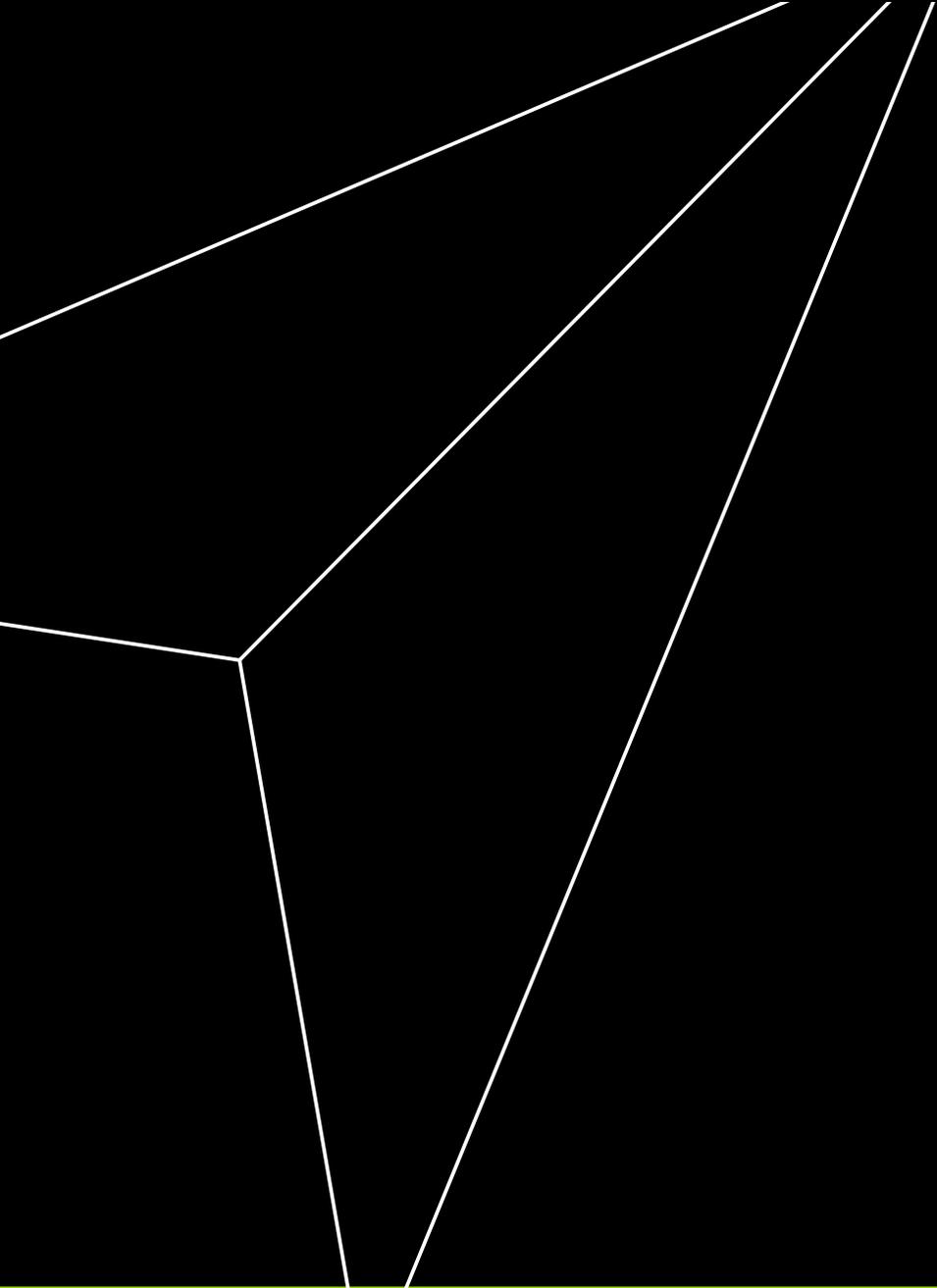


Family Therapy/Psychotherapy with Patient Present

(90847 per 50-minute session)



* The South Dakota rate has been converted from 15 minutes to 60 minutes



Peer State Substance Use Disorder Rates

ASAM Levels of Care: Levels of Care

American Society of Addiction Medicine



- .5 Early Intervention
- 1 Outpatient Services
- 2.1 Intensive Outpatient Services
- 2.5 Partial Hospitalization Services
- 3.1 Clinically Managed Low-Intensity Residential Services

- 3.3 Clinically Managed Population-Specific High-Intensity Residential Services
- 3.5 Clinically Managed High-Intensity Residential Services
- 3.7 Medically Monitored Intensive Inpatient Services
- 4 Medically Managed Intensive Inpatient Services

Source: <https://www.asam.org/asam-criteria/about-the-asam-criteria>

ASAM Levels of Care

Important considerations when evaluating rate development for specific ASAM levels of care

Setting:

- Outpatient, Residential or Inpatient
- 24-hour environment
- Clinically managed, medically monitored, specialized units,

Time Considerations:

- Hourly, Daily, Weekly
- Staffing ratio considerations based on the type of setting and intensity of services provided

Provider Types

- Multidisciplinary teams consisting of physicians, psychiatrists, registered nurses, addiction counselors, behavioral health specialists, licensed clinical social workers (LCSW)
- On-site staff vs Telehealth vs Referrals

Treatment Goal/Therapies:

- 24-hour nursing, individual vs group therapy, medication treatment and management, intensive case management, treatment that promotes personal responsibility,

ASAM Levels of Care by Peer State

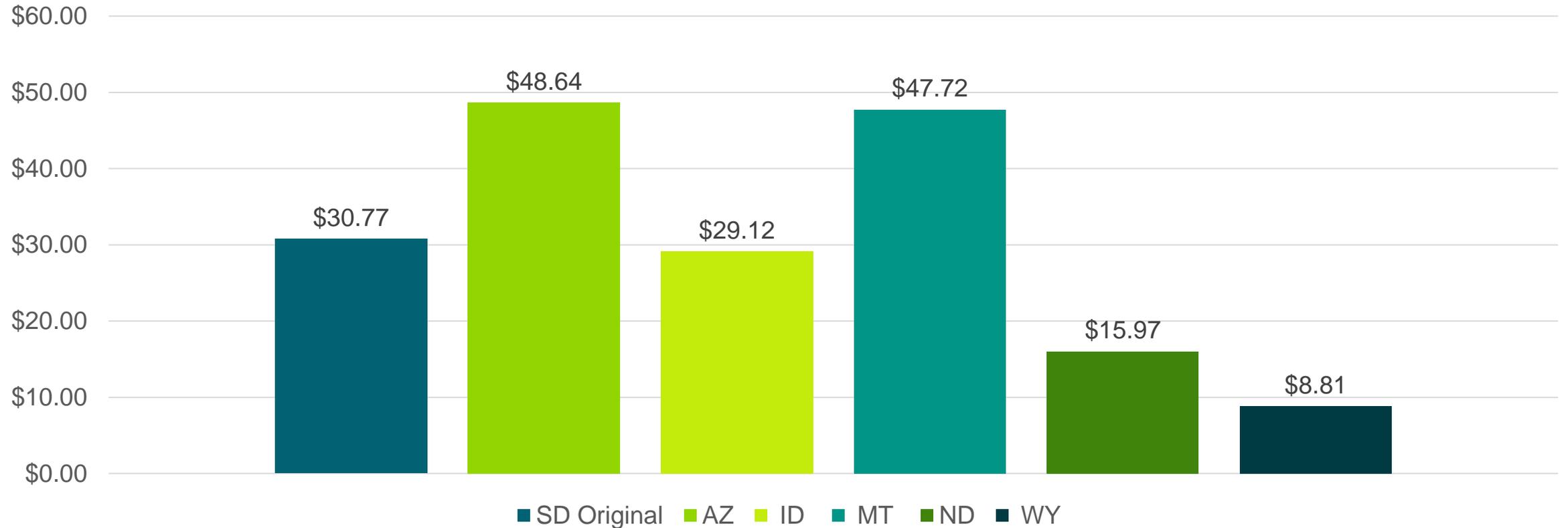
American Society of Addiction Medicine

	SD	AZ	IA	ID	MT	ND	NE	WY
0.5 - Early Intervention	Y	Y	Y	N	Y	Y	N	N
1 - Outpatient Treatment	Y	Y	Y	Y	Y	Y	Y	Y
2.1 Intensive Outpatient Treatment (IOT)	Y	Y	Y	Y	Y	Y	Y	Y
2.5 - Partial Hospitalization Services	Y	Y	Y	Y	Y	Y	Y	Y
3.1 - Clinically Managed Low-Intensity Residential Services	Y	Y	N	N	Y	Y	Y	N
3.3 - Clinically Managed Population - Specific High intensity Residential Services	N	Y	Y	N	N	N	Y	N
3.5 - Clinically Managed Medium -/High-Intensity Residential Services	N	Y	Y	Y	Y	Y	Y	N
3.7 - Medically Monitored Intensive Inpatient	Y	Y	Y	Y	Y	Y	Y	N
4 - Medically Managed Intensive Inpatient Treatment	Y	Y	N	Y	Y	Y	Y	N

Source: <https://www.kff.org/state-category/medicaid-chip/medicaid-behavioral-health-services/substance-use-disorder-services/>

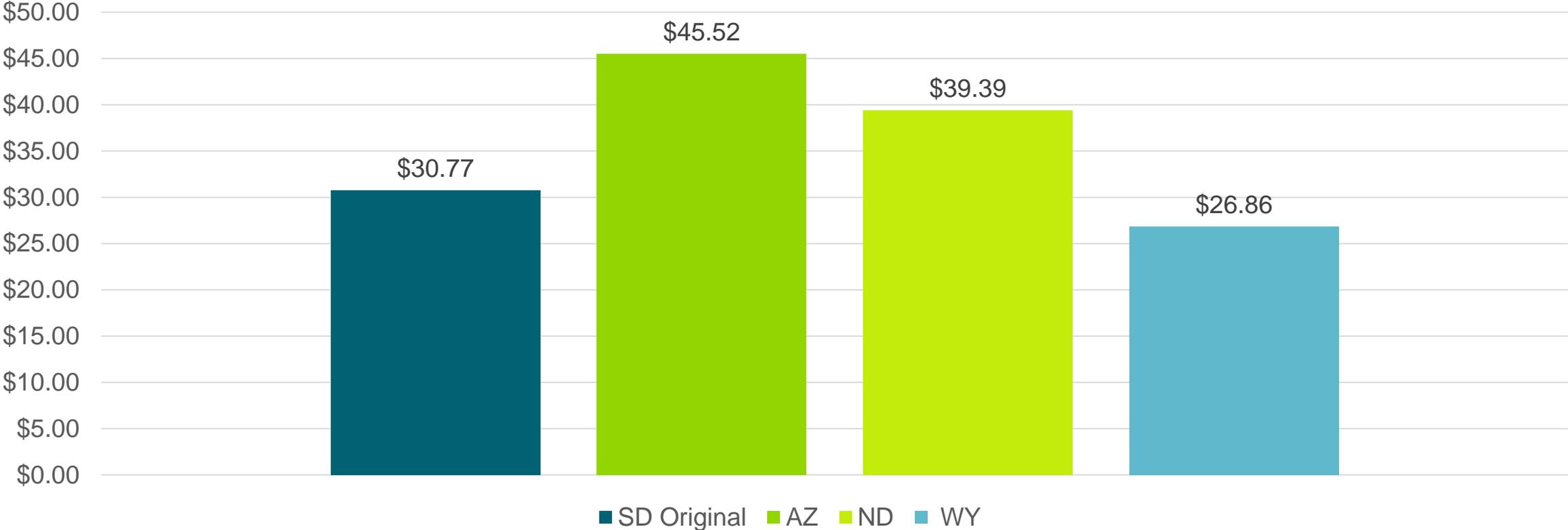
Crisis Intervention

(H2011 per 15-minute session)



Local Individual Counseling

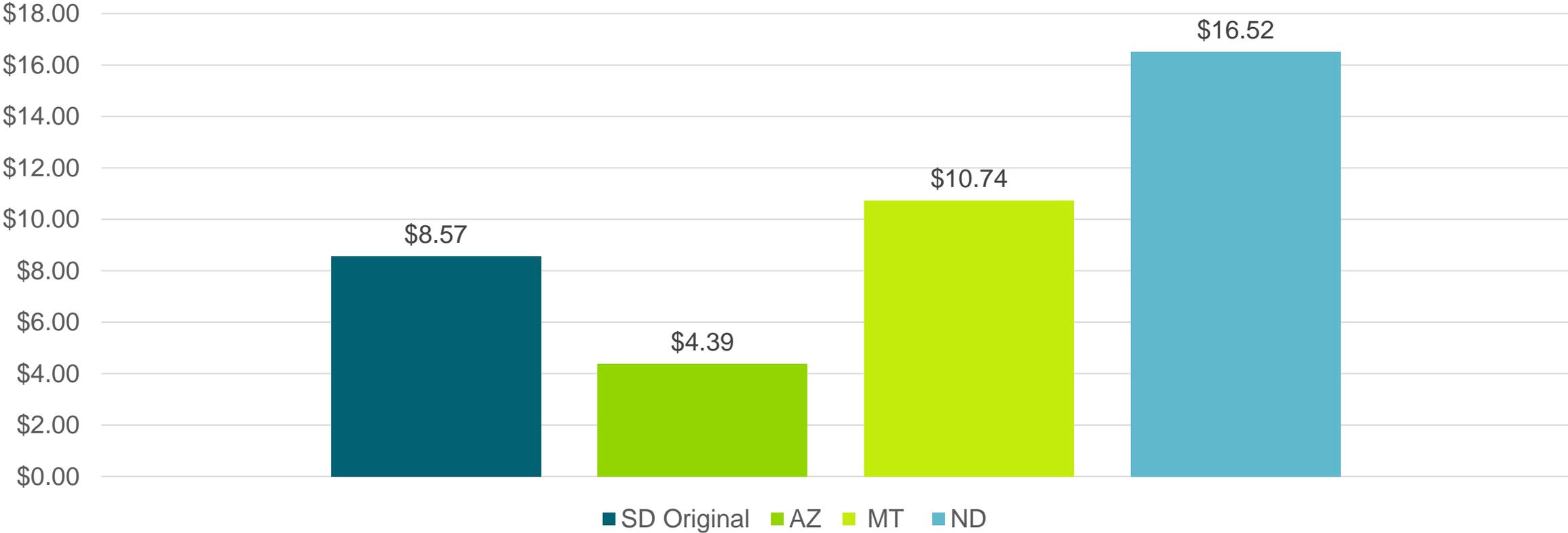
(H0004 per 15-minute session)



* The ND rate was converted from a 30-minute rate to a 15-minute rate

Intensive Outpatient (IOP) - Group

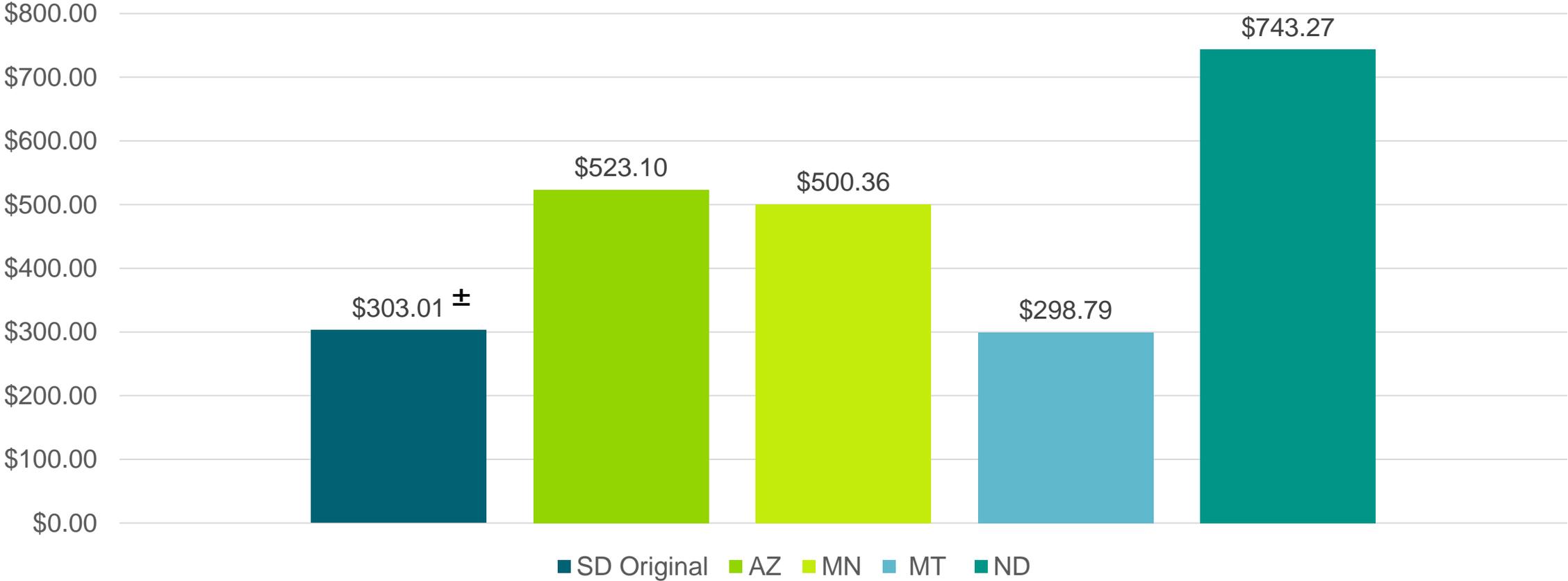
(H0015 per 15-minute session – ASAM 2.1)



* MT and ND rates were converted from daily rates to 15-minute rates based on state billing guidelines

Intensive Inpatient – Behavioral Health, Long Term Residential

(H0019 per diem – ASAM 3.7)

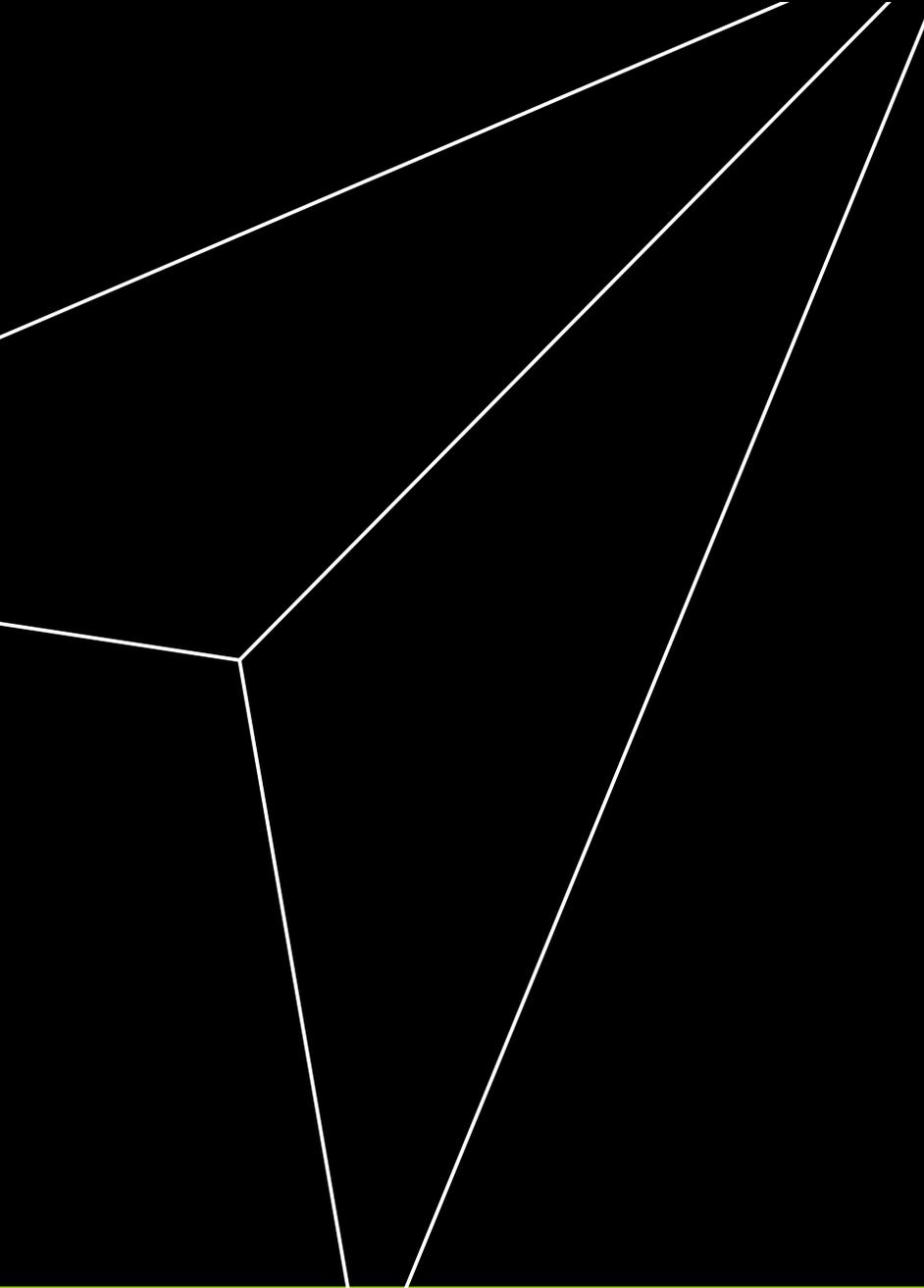


* MN sets a rate for individual intensive residential treatment services (IRTS) facilities. The MN rate displayed on this chart demonstrates the average across all H0019 IRTS rates.

± Includes room and board of \$51.21

Other SUD Rate Discussion

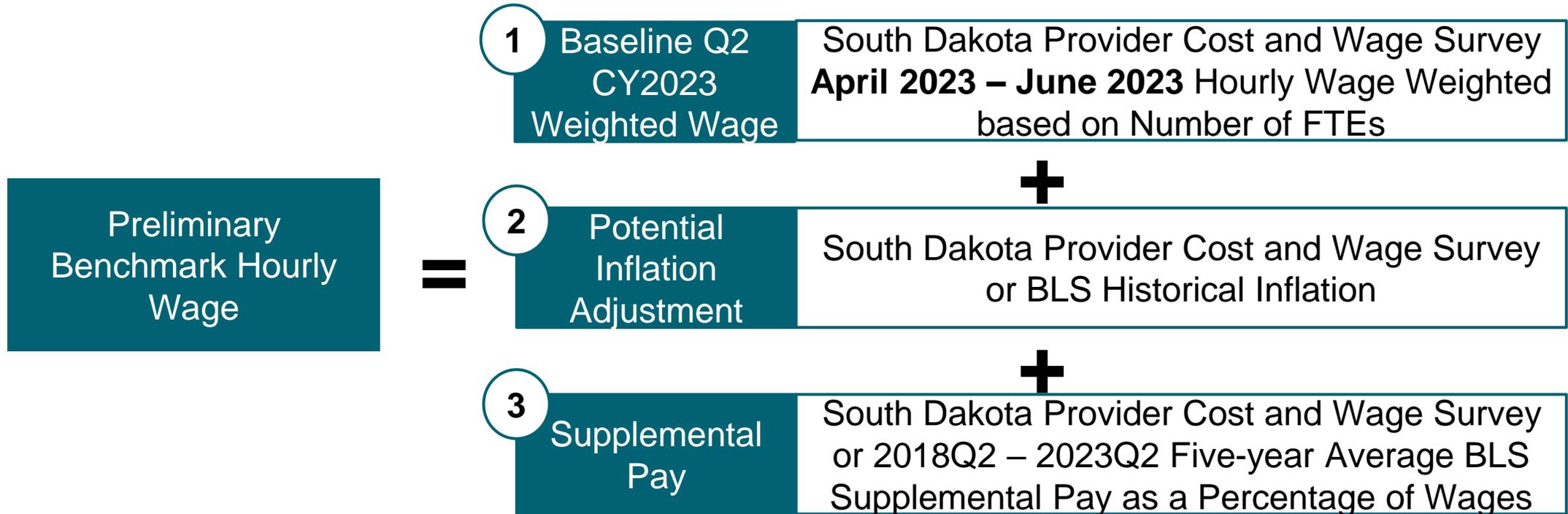
- Conducted a peer state review among Idaho, North Dakota, Minnesota, Montana, Wyoming, and Arizona
- Payment for SUD services can range from SUD specific waivers, capitation and blended services
- Rates varied based on provider type, billed units, and payment models (individual facility, fee schedule, ASAM)
- ASAM 1
 - H0001 Assessments (15 minutes)
 - Comparable services in North Dakota and Arizona
 - Assessment units ranged from day to session
 - Rates varied from \$37.65 - \$182.14
- ASAM 3.1
 - H0016 HF Low-Intensity Residential (per diem)
 - Comparable units found in North Dakota and Montana
 - Rates varied from \$35.25. - \$143.39
 - Both rates are based on state-specific ASAM 3.1 rate



Approach to Benchmarking Wage

Wage Adjustment Factors

The benchmark wages used to identify the cost of delivering services will be calculated by FTE weighting using the survey reported average wages for each job type. This value can then be adjusted by an additional inflation factor and include supplemental pay.



Baseline Wage Comparison: Bureau of Labor Statistics

The Occupational Employment and Wage Statistics (OEWS) program produces employment and wage estimates annually for approximately 830 occupations. These estimates are available for the nation as a whole and for individual states.

- The OEWS BLS data captures state hourly and annual wages for occupations in South Dakota that will be used to compare to the wage information captured in the provider cost and wage survey.
- Each wage benchmark will be FTE weighted based on the information received in the provider cost and wage survey.

Example of Bureau of Labor Statistics Data Comparison

Survey Staff Type	Example Survey Hourly Wage	BLS Job Type	Hourly mean wage	Annual mean wage	Hourly 10th percentile wage	Hourly median wage	Annual 10th percentile wage	Annual median wage
Counselor	\$21.51	Substance abuse, behavioral disorder, and mental health counselors(211018)	\$23.16	\$48,160	\$17.52	\$22.01	\$36,450	\$45,780
Registered Nurse (RN)	\$30.00	Registered Nurses(291141)	\$31.01	\$64,500	\$24.64	\$30.25	\$51,240	\$62,920

Cost Trending: BLS Current Employment Statistics

The Bureau of Labor Statistics National Current Employment Statistics (CES) data produces earnings of workers within specific industries.

The table below includes annual growth trends calculated based on average hourly wages reported as part of the CES data over the past decade.

2023 trends reveal an average wage growth rate for outpatient mental health/substance abuse centers, mental health practitioners, and general health care was 0.8%, 9.8%, and 2.7% respectively.

	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Outpatient Mental Health and Substance Abuse Centers	Average hourly earnings of all employees	\$20.29	\$20.33	\$20.96	\$21.89	\$22.53	\$23.55	\$24.82	\$25.88	\$26.95	\$29.02	\$29.26
	Percentage Change		0.2%	3.1%	4.5%	2.9%	4.5%	5.4%	4.3%	4.2%	7.7%	0.8%

	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Offices of Mental Health Practitioners (Except Physicians)	Average hourly earnings of all employees	\$24.32	\$23.09	\$22.85	\$23.42	\$23.39	\$23.61	\$24.73	\$25.48	\$27.00	\$28.26	\$31.02
	Percentage Change		-5.0%	-1.0%	2.5%	-0.2%	1.0%	4.7%	3.1%	6.0%	4.7%	9.8%

	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Healthcare	Average hourly earnings of all employees	\$26.58	\$26.90	\$27.53	\$28.07	\$28.74	\$29.51	\$30.21	\$31.07	\$32.86	\$35.01	\$35.94
	Percentage Change		1.2%	2.3%	2.0%	2.4%	2.7%	2.4%	2.8%	5.8%	6.6%	2.7%

Supplemental Pay: Bureau of Labor Statistics

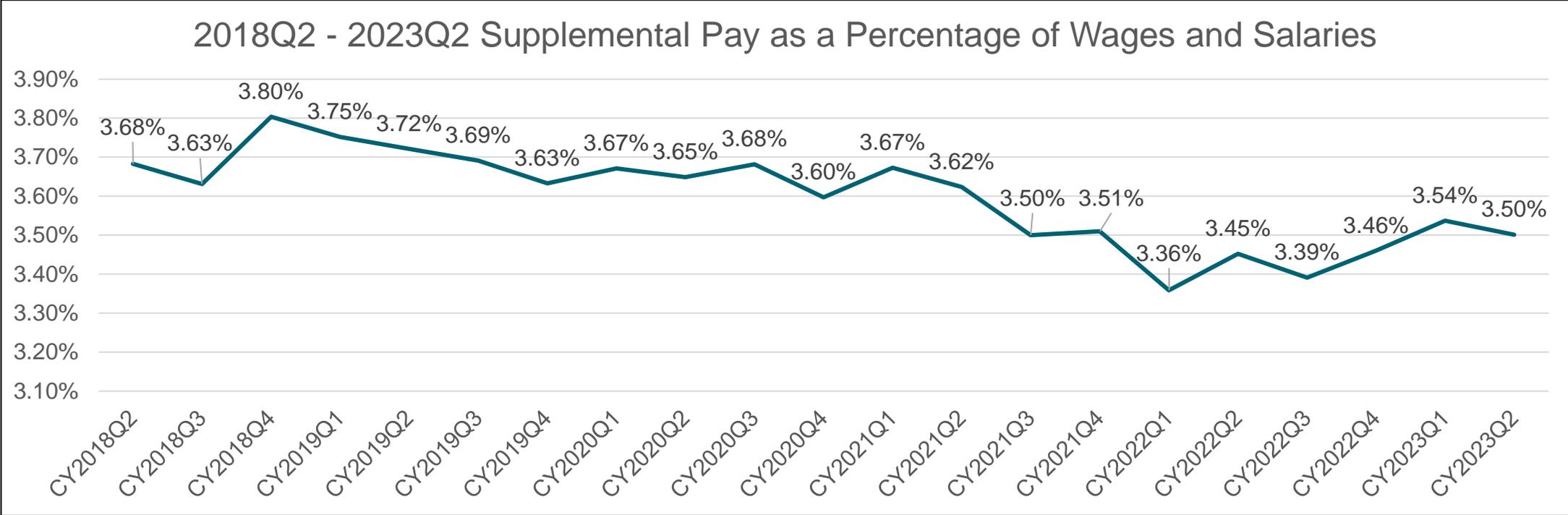
The BLS Employer Costs for Employee Compensation (ECEC) data series for the Health care and social assistance industry analyzes total compensation by breaking down costs into hourly wage costs as well as expense categories related to mandatory taxes and benefits, insurance, retirement, paid time off, supplemental pay, and other benefits.

- The ECEC BLS data captures national hourly wages and supplemental pay for occupations comparable to South Dakota on a quarterly basis.
- BLS supplemental pay includes overtime and premium, shift differentials, and nonproduction bonuses.
- This information will serve as a benchmark to the survey results.

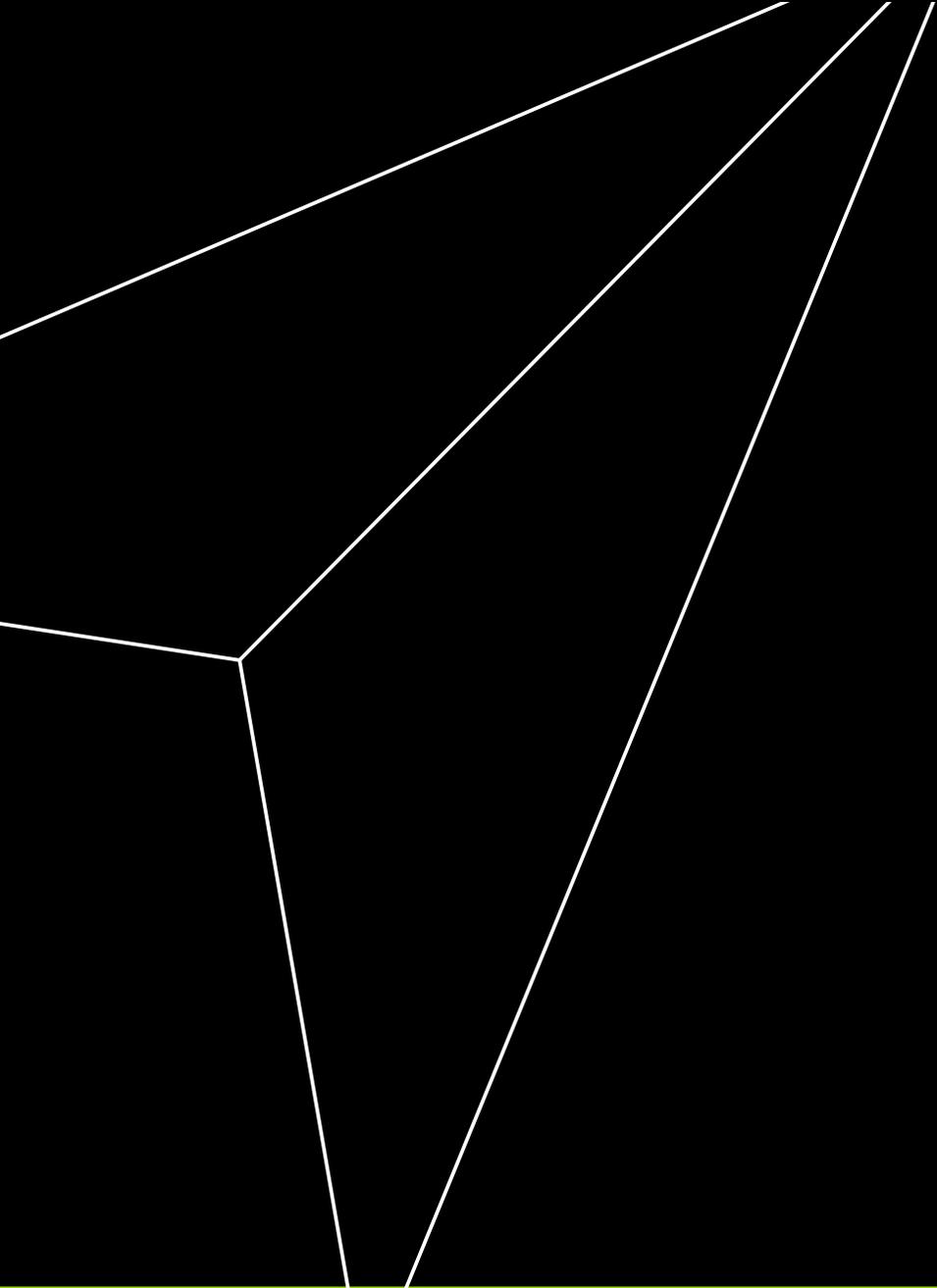
Supplemental Pay- BLS Quarterly Trends

As depicted in the graph, BLS supplemental pay trends have remained relatively steady over the last five years, inclusive of the effects of the COVID-19 Public Health Emergency (PHE).

The average supplemental pay over the most recent five-year period from 2018Q2-2023Q2 is **3.60 percent**.



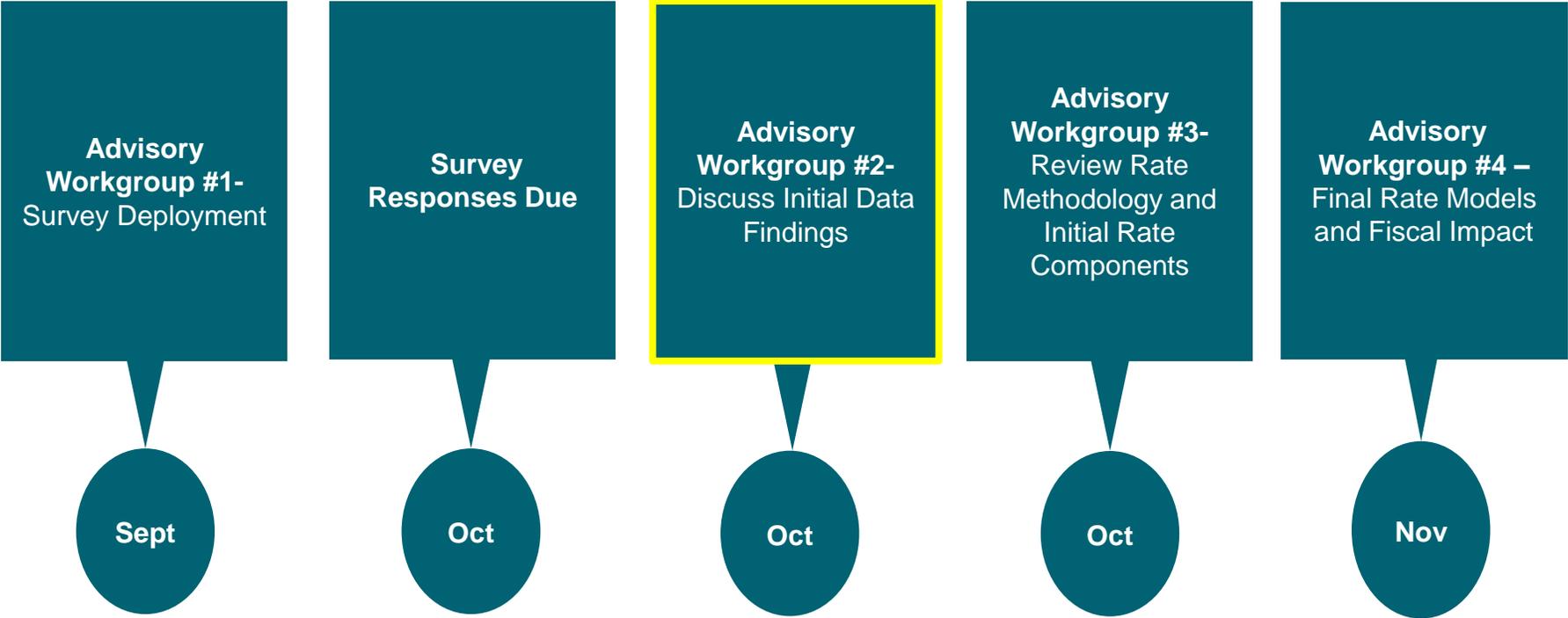
Source: The Bureau for Labor Statistics (BLS), Employer Costs for Employee Compensation for Health care and social assistance Industry Available online: <https://www.bls.gov/data>



Next Steps

Proposed Rate Workgroup Meeting Plan

The Rate Workgroup and Guidehouse will meet to discuss topics related to survey development and implementation, service review, as well as rate methodology and modeling requirements and results.



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Consultant

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Director

Claire Payne
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Thank You

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